

WT 09-31

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Submitted: 12/01/2008 at 15:01:33  
File Number: 0003663275

**DOCKET FILE COPY ORIGINAL**

**FCC 601**  
**Main Form**

**FCC Application for Radio Service Authorization:  
Wireless Telecommunications Bureau  
Public Safety and Homeland Security Bureau**

Approved by OMB  
3060 - 0796

See instructions for  
public burden estimate

1) Radio Service Code: <b>CL</b>	1a) Existing Radio Service Code:
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**General Information**

2) (Select only one) ( <b>EX</b> )	
<b>NE</b> - New <b>MD</b> - Modification <b>AM</b> - Amendment	<b>RO</b> - Renewal Only <b>RM</b> - Renewal/Modification <b>CA</b> - Cancellation of License
<b>AU</b> - Administrative Update <b>WD</b> - Withdrawal of Application <b>DU</b> - Duplicate License	<b>NT</b> - Required Notifications <b>EX</b> - Requests for Extension of Time <b>RL</b> - Registered Location/Link

3a) If this application is for a <u>Developmental</u> License, <u>Demonstration</u> License, or a <u>Special</u> Temporary Authorization (STA), enter the code and attach the required exhibit as described in the instructions. Otherwise enter ' <u>N</u> ' (Not Applicable).	( <input checked="" type="checkbox"/> <b>D</b> <input type="checkbox"/> <b>M</b> <input type="checkbox"/> <b>S</b> <input type="checkbox"/> <b>N/A</b> )
3b) If this application is for Special Temporary Authority due to an emergency situation, enter 'Y'; otherwise enter 'N'. Refer to Rule 1.915 for an explanation of situations considered to be an emergency.	( <input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> )
4) If this application is for an Amendment or Withdrawal, enter the file number of the pending application currently on file with the FCC.	File Number
5) If this application is for a Modification, Renewal Only, Renewal/Modification, Cancellation of License, Duplicate License, or Administrative Update, enter the call sign of the existing FCC license. If this is a request for Registered Location/Link, enter the FCC call sign assigned to the geographic license.	Call Sign
6) If this application is for a New, Amendment, Renewal Only, or Renewal/Modification, enter the requested authorization expiration date (this item is optional).	MM      DD /
7) Is this application "major" as defined in §1.929 of the Commission's Rules when read in conjunction with the applicable radio service rules found in Parts 22 and 90 of the Commission's Rules? (NOTE: This question only applies to certain site-specific applications. See the instructions for applicability and full text of §1.929).	( <input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> )
8) Are attachments (other than associated schedules) being filed with this application?	( <input checked="" type="checkbox"/> <b>Y</b> <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> )

**Fees, Waivers, and Exemptions**

9) Is the Applicant exempt from FCC application fees?	( <input checked="" type="checkbox"/> <b>N</b> <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> )
10) Is the Applicant exempt from FCC regulatory fees?	( <input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> )
11a) Does this application include a request for a Waiver of the Commission's Rule(s)? If 'Yes', attach an exhibit providing rule number(s) and explaining circumstances.	( <input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> )
11b) If 11a is 'Y', enter the number of rule sections involved.	Number of Rule Section(s):
12) Are the frequencies or parameters requested in this filing covered by grandfathered privileges, previously approved by waiver, or functionally integrated with an existing station?	( <input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> )

**Applicant Information**

13) FCC Registration Number (FRN): <b>0003740768</b>			
14) Applicant/Licensee legal entity type: (Select One) <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Unincorporated Association <input type="checkbox"/> Trust <input type="checkbox"/> Government Entity <input type="checkbox"/> Consortium <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Other (Description of Legal Entity)			
15) If the licensee name is being updated, is the update a result from the sale (or transfer of control) of the license(s) to another party and for which proper Commission approval has not been received or proper notification not provided?			( ) Yes No
16) First Name (if individual):	MI:	Last Name:	Suffix:
17) Legal Entity Name (if other than individual): <b>TelAlaska, Inc.</b>			
18) Attention To: <b>David J. Goggins</b>			
19) P.O. Box:	And/Or	20) Street Address: <b>201 E. 56th Avenue</b>	
21) City: <b>Anchorage</b>	22) State: <b>AK</b>	23) Zip Code: <b>99518</b>	
24) Telephone Number: <b>(907)563-2003</b>		25) FAX: <b>(907)565-5539</b>	
26) E-Mail Address: <b>administration@telalaska.com</b>			

**27) Demographics (Optional):**

<b>Race:</b> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African-American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	<b>Ethnicity:</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<b>Gender:</b> <input type="checkbox"/> Male <input type="checkbox"/> Female
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**Real Party in Interest**

28) Name of Real Party in Interest of Applicant (If different from applicant):	29) FCC Registration Number (FRN) of Real Party in Interest:
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**Contact Information (If different from the applicant)**

30) First Name:	MI:	Last Name:	Suffix:
31) Company Name: <b>Monte R. Lee &amp; Company</b>			
32) Attention To:			
33) P.O. Box:	And /Or	34) Street Address: <b>100 N.W. 63rd - Suite 100</b>	
35) City: <b>Oklahoma City</b>	36) State: <b>OK</b>	37) Zip Code: <b>73116</b>	
38) Telephone Number: <b>(405)842-2405</b>		39) FAX: <b>(405)848-8018</b>	
40) E-Mail Address: <b>jbryan@mrleng.com</b>			

## Regulatory Status

41) This filing is for authorization to provide or use the following type(s) of radio service offering (enter all that apply):	
<input type="checkbox"/> Common Carrier	<input type="checkbox"/> Non-Common Carrier
<input type="checkbox"/> Private, internal communications	<input type="checkbox"/> Broadcast Services
<input type="checkbox"/> Band Manager	

### Type of Radio Service

42) This filing is for authorization to provide the following type(s) of radio service (enter all that apply):	
<input type="checkbox"/> Fixed	<input type="checkbox"/> Mobile
<input type="checkbox"/> Radiolocation	<input type="checkbox"/> Satellite (sound)
<input type="checkbox"/> Broadcast Services	
43) Interconnected Service? <input type="checkbox"/> Yes <input type="checkbox"/> No	

### Alien Ownership Questions

44) Is the applicant a foreign government or the representative of any foreign government?	<input type="checkbox"/> Yes <input type="checkbox"/> No
45) Is the applicant an alien or the representative of an alien?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46) Is the applicant a corporation organized under the laws of any foreign government?	<input type="checkbox"/> Yes <input type="checkbox"/> No
47) Is the applicant a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	<input type="checkbox"/> Yes <input type="checkbox"/> No
48a) Is the applicant directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country?	<input type="checkbox"/> Yes <input type="checkbox"/> No
48b) If the answer to the above question is 'Y', has the applicant received a ruling(s) under Section 310(b)(4) of the Communications Act with respect to the same radio service involved in this application?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If the answer to 48b is 'N', attach to this application a date-stamped copy of a request for a foreign ownership ruling pursuant to Section 310(b)(4) of the Communications Act.	

### Basic Qualification Questions

49) Has the applicant or any party to this application had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, or construction permit denied by the Commission?	<input type="checkbox"/> Yes <input type="checkbox"/> No
50) Has the applicant or any party to this application, or any party directly or indirectly controlling the applicant, ever been convicted of a felony by any state or federal court?	<input type="checkbox"/> Yes <input type="checkbox"/> No
51) Has any court finally adjudged the applicant or any party directly or indirectly controlling the applicant guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or any other means or unfair methods of competition?	<input type="checkbox"/> Yes <input type="checkbox"/> No

### Aeronautical Advisory Station (Unicom) Certification

52) <input type="checkbox"/> I certify that the station will be located on property of the airport to be served, and, in cases where the airport does not have a control tower, RCO, or FAA flight service station, that I have notified the owner of the airport and all aviation service organizations located at the airport within ten days prior to application.
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### Broadband Radio Service and Educational Broadband Service Cable Cross-Ownership

53a) Will the requested facilities be used to provide multichannel video programming service?	<input type="checkbox"/> Yes <input type="checkbox"/> No
53b) If the answer to question 53a is yes, does applicant operate, control or have an attributable interest (as defined in Section 27.1202 of the Commission's Rules) in a cable television system whose franchise area is located within the geographic service area of the requested facilities?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Note:</b> If the answer to question 53b is 'Y', attach an exhibit explaining how the applicant complies with Section 27.1202 of the Commission's Rules or justifying a waiver of that rule. If a waiver of the Commission Rule(s) is being requested, Item 11a must be answered 'Y'.	

### Broadband Radio Service and Educational Broadband Service (Part 27)

54) (For EBS only) Does the applicant comply with the programming requirements contained in Section 27.1203 of the Commission's Rules?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Note:</b> If the answer to Item 54 is 'N', attach an exhibit explaining how the applicant complies with Section 27.1203 of the Commission's Rules or justifying a waiver of that rule. If a waiver of the Commission Rule(s) is being requested, Item 11a must be answered 'Y'.	
55) (For BRS and EBS) Does the applicant comply with Sections 27.50, 27.55, and 27.1221 of the Commission's Rules?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Note:</b> If the answer to Item 55 is 'N', attach an exhibit justifying a waiver of that rule(s). If a waiver of the Commission Rule(s) is being requested, Item 11a must be answered 'Y'.	

**General Certification Statements**

1)	The applicant waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application.
2)	The applicant certifies that grant of this application would not cause the applicant to be in violation of any pertinent cross-ownership or attribution rules.* *If the applicant has sought a waiver of any such rule in connection with this application, it may make this certification subject to the outcome of the waiver request.
3)	The applicant certifies that all statements made in this application and in the exhibits, attachments, or documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.
4)	The applicant certifies that neither the applicant nor any other party to the application is subject to a denial of Federal benefits pursuant to §5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance. This certification does not apply to applications filed in services exempted under §1.2002(c) of the rules, 47 CFR § 1.2002(c). See §1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification.
5)	The applicant certifies that it either (1) has current required ownership data on file with the Commission, (2) is filing updated ownership data simultaneously with this application, or (3) is not required to file ownership data under the Commission's rules.
6)	The applicant certifies that the facilities, operations, and transmitters for which this authorization is hereby requested are either: (1) categorically excluded from routine environmental evaluation for RF exposure as set forth in 47 C.F.R. 1.1307(b), or, (2) have been found not to cause human exposure to levels of radiofrequency radiation in excess of the limits specified in 47 C.F.R. 1.1310 and 2.1093; or, (3) are the subject of one or more Environmental Assessments filed with the Commission.
7)	The applicant certifies that it has reviewed the appropriate Commission rules defining eligibility to hold the requested license(s), and is eligible to hold the requested license(s).
8)	The applicant certifies that it is not in default on any payment for Commission licenses and that it is not delinquent on any non-tax debt owed to any federal agency.

**Signature**

56) Typed or Printed Name of Party Authorized to Sign

First Name: <b>Brenda</b>	MI:	Last Name: <b>Shepard</b>	Suffix:
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57) Title:

**President and CEO**

Signature:

**Brenda Shepard**

58) Date:

**12/01/2008****FAILURE TO SIGN THIS APPLICATION MAY RESULT IN DISMISSAL OF THE APPLICATION AND FORFEITURE OF ANY FEES PAID.****Upon grant of this license application, the licensee may be subject to certain construction or coverage requirements. Failure to meet the construction or coverage requirements will result in termination of the license. Consult appropriate FCC regulations to determine the construction or coverage requirements that apply to the type of license requested in this application.****WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, §1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, §312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, §503).**

**Schedule for Waiver  
Request for Extension of Time for Wireless Services**

Approved by OMB  
3060 - 0798  
See 601 Main Form Instructions  
for public burden estimate

**1) Purpose**

The purpose of this submission: Enter one purpose only - 1, 2, 3, 4, I, or S ( S ) See below and refer to instructions.

**Buildout/Coverage Requirements (Market-based services and State License Radio Service (SL) only)**

- 1 Extension of Time to meet 1st buildout/coverage requirements. (List call signs in 3a)
- 2 Extension of Time to meet 2nd buildout/coverage requirements. (List call signs in 3a)
- 3 Extension of Time to meet 3rd buildout/coverage requirements. (List call signs in 3a)
- 4 Extension of Time to meet 4th buildout/coverage requirements. (List call signs in 3a)
- I Extension of Time to meet tribal lands buildout/coverage requirements. (List call signs in 3a)

**Construction Requirements (Site-licensed services only)**

- S Extension of Time to meet construction requirements (List, as applicable, call signs, locations or paths, and frequencies in Item 3.)

**2) New Buildout/Coverage/Construction Expiration Date**

Enter date (mm/dd/yy) requested: **10/31/2012**

Attach exhibit describing circumstances/justification.

**3) Call Signs/Locations or Paths/Frequencies**

3a) Call Sign	3b) Location Number	3c) Path Number (Microwave only)	3d) Center (Assigned) or Lower Frequency (MHz)	3e) Upper Frequency (MHz)
WQIQ306	1			
WQIQ306	2			
WQIQ306	3			
WQIQ306	4			
WQIQ306	5			

Attachment(s):

Type	Description	Date Entered
W	Exhibit A -- Request for Waiver or for <u>Extension</u>	12/01/2008

**EXHIBIT A TO FORM 601 SCHEDULE L**

**TELALASKA, INC. REQUEST FOR WAIVER OR, IN THE ALTERNATIVE,  
FOR EXTENSION OF TWELVE-MONTH CONSTRUCTION DEADLINE**

TelAlaska, Inc. ("TelAlaska" or the "Licensee"), pursuant to Sections 1.946 and 1.925 of the Commission's Rules, hereby requests an extension for up to a four-year period or, in the alternative, a waiver of the 12-month build-out period ("Build-Out Period") required by the Commission's Rules for its two cellular licenses, Call Signs WQIQ306 and WQIQ308. As will be demonstrated below, a number of causes beyond the reasonable control of the Licensee exist within the meaning of Section 1.946(e) of the Rules which make it infeasible for TelAlaska to comply with the standard construction deadline for cellular licenses. Moreover, as enforcement of the 12-month construction deadline would make it both operationally and financially impossible for TelAlaska to bring its competitive wireless telephony service to its subscribers, enforcement of the Rule under the special circumstances of this case would not serve the public interest.

**I. BACKGROUND**

Until earlier this year, TelAlaska was a family-owned rural telephone company that brought the earliest telephone service to a series of small and remote communities scattered across a large portion of the rugged Alaska landscape. The company was founded in 1968 by the Rhyner family as Interior Telephone Company ("ITC"). The following year, it became the local exchange provider in Fort Yukon, Alaska. Through both organic growth and a series of acquisitions, ITC expanded its service to other communities in both the interior of Alaska and down to the Aleutian Islands. After 40 years of incremental growth, it remains today tiny in comparison to local exchange carriers in the Lower 48 states, serving some 8,500 access lines in 11 communities.

In 1992, TelAlaska was created as the holding company for ITC, and it acquired a second local exchange company, Mukluk Telephone Company ("MTC"). MTC serves approximately 3,700 access lines in another 12 communities located in the west central part of Alaska. The largest of these communities has a population of 3,500. Many of the local exchanges served by ITC and MTC have populations of 200 people or less.

In addition to the significant number of small communities for which TelAlaska serves as the incumbent local exchange carrier, the remoteness of these exchanges cannot be overstated. It must be kept in mind that the State of Alaska itself occupies a land area approximating one-fifth of the entire area of the contiguous Lower 48 states. The distance between Fort Yukon in the Alaska heartland and ITC's exchanges on the Aleutian Island chain is equivalent to that between Chicago, Illinois and Dallas, Texas. After having succeeded in deploying broadband services in most of these isolated parts of the state, TelAlaska faces the ongoing challenge, as a small telephone company, of maintaining the equipment and facilities required to provide state-of-the-art communications across this vast region in the face of the severe Alaska climate.

Meeting this challenge is made all the more daunting by the fact that none of TelAlaska's local exchanges that are covered by its cellular licenses is located on the limited Alaska road system. This means that all equipment and construction materials required to deploy and maintain communications services must be either flown in to these communities or brought into them by water, in both cases weather permitting. The cost of these transport requirements can be appreciated when it is understood that most of these communities are located several hundred

miles away from Anchorage, the main point of embarkation in Alaska.

In 2007, the competitive stakes were raised for TelAlaska when the Regulatory Commission of Alaska certificated a much larger company, with far greater financial resources, to enter TelAlaska's two service areas as a competitive local exchange carrier. In response to this challenge, TelAlaska sought to position itself as a provider of bundled services for the benefit of its subscribers by acquiring a wireless capability. Toward this end, in February 2008, TelAlaska applied for two cellular licenses. The locations covered by these separate applications were not dictated by the composition of ITC's and MTC's respective local exchanges, but rather by the fact that TelAlaska's service area covers two separate Rural Service Areas (RSAs). On April 11, 2008, TelAlaska was awarded cellular licenses WQIQ306 covering five locations in RSA 316, and WQIQ 308 covering 15 locations in RSA 315. The 12-month construction period for the two licenses will expire on April 11, 2009. In compliance with Section 1.946(e) of the Rules, this request for extension has been filed before the expiration of the regulatory construction period.

## **II. CAUSES BEYOND THE CONTROL OF TELALASKA**

TelAlaska faces a series of challenges to its ability to comply with the Commission's standard 12-month construction period for the 20 locations covered by its two licenses which, it submits, qualify as causes beyond the control of the Licensee.

### **A. The Extraordinary Conditions Governing Construction in the Locations Covered by TelAlaska's Cellular Licenses**

The towns and villages in which TelAlaska will be deploying its cellular service are located in some of the most remote regions of the United States. None of these communities is located on a road system or is accessible by rail line. Attachment 1 to this Exhibit is a map of the State of Alaska depicting the location of TelAlaska's exchanges which are the subject of its cellular licenses, the RSAs in which they are located, the limited reach of the state's road system, and a legend revealing the enormous geographic scope of the Licensee's service area.

For the delivery of construction materials and equipment, the TelAlaska villages are accessible only by plane, barge or shallow draft vessels. Local transportation in these communities is provided by all-terrain vehicles, snowmobiles or boats. TelAlaska faces the enormous expense of having to transport all equipment and construction materials – including cement – hundreds of miles by air to these locations. This challenge is exacerbated by Alaska's notoriously short construction season. In the communities TelAlaska serves in CMA 316 along the Bering Sea, including on several islands in the Aleutian chain, the season begins in late May and ends by mid-September. In the more northern reaches of the state that fall within CMA 315, the construction season is even more truncated – June through August. Many of the villages in the state's northern interior are built on permafrost, which provides additional engineering challenges when it melts. Even during the accessible construction period, air travel is subject to climatic vicissitudes leading frequently to delays or disruptions in scheduling. The combination of these extreme factors – almost unique to Alaska – make it logistically infeasible for a small company like the Licensee to complete the build-out of its 20 cellular locations which are encompassed in its two licenses during the permitted 12-month period.

### **B. The Loss of TelAlaska's Key Executive**



In April 2008, the same month that TelAlaska was awarded its cellular licenses by the Commission, Jack Rhyner, the long-time President and driving force behind the company, succumbed following a brief illness. Mr. Rhyner had carried on the family tradition of directing TelAlaska for over 30 years. His sudden passing resulted in a temporary loss of leadership for the Licensee, necessitating a critical period of transition and adjustment. On June 30, 2008, the Licensee was acquired by a telecommunications holding company. A new CEO was named effective July 1.

While the transition in management is now complete, the process took its toll on new operational initiatives of the company, most importantly the planned deployment of facilities for the cellular licenses. During this period, efforts remained focused instead on the normal maintenance and upgrading processes that the Licensee routinely administers for its existing wireline business. The short 2008 construction season was effectively lost for purposes of the cellular build-out program.

**C. New Capital Expenditure Restrictions**

The new owners and management of TelAlaska enthusiastically embrace the importance of the Licensee's wireless service offering, and the opportunities for bundled services that it makes possible for TelAlaska's subscribers. By June 2008, however, the company faced yet another unplanned and unexpected hurdle to its cellular deployment plans. In extending its new financing for TelAlaska, the Licensee's chief funding source, CoBank, imposed on the company for the first time an annual limit on capital expenditures of \$3.5 million. Because this sum is close to the amount that TelAlaska requires for its normal equipment replacement and upgrading programs in order to meet its regulatory requirements as a local exchange carrier, the Licensee must now contend with restrictions on how much it is permitted to program each year for new capital initiatives, like the deployment of its cellular network. This restriction is particularly exacerbated by the fact that, shortly following award of TelAlaska's two cellular licenses, the Licensee's subsidiary, MTC, received a significant order for interconnecting trunk lines from a competitive wireless service provider which absorbed all of the remaining trunking capacity on five of the local exchange carrier's central office switches. As a result of this development, TelAlaska is now in the process of upgrading those five switches in order to provide sufficient port capacity for its own cellular system in the affected exchanges. This capital requirement was completely unknown and unanticipated at the time the Licensee applied to the Commission for its cellular licenses.

The CoBank capex limitation is one example of the increasingly common restrictive measures adopted by the financing sector in the current tumultuous economic environment. Again, this restriction was one imposed on TelAlaska subsequent to its application for and award of the cellular licenses.

**III THE LICENSING OF ALL OF TELALASKA'S LOCATIONS  
IS IMPORTANT TO ITS FUNDING NEEDS**

TelAlaska does not have the option of licensing its exchanges sequentially, in order thereby to create separate one-year construction periods. Like most rural wireless service providers, the Licensee will rely on funding from the federal high-cost Universal Service Fund ("USF") to help it implement its build-out plans. Not only is such funding critical to help offset the high costs necessitated by the extreme construction conditions under which TelAlaska operates, but its main wireless competitor has already secured Eligible Telecommunications Carrier

("ETC") status from the Regulatory Commission of Alaska in both the ITC and MTC study areas. Thus, access to such high-cost support is now a matter of competitive necessity for TelAlaska.

A condition to receiving ETC designation under Section 214(e) of the Communications Act, however, is that the Licensee be able to demonstrate to the RCA that it has both the commitment and capability to provide wireless service throughout its rural study area. To demonstrate this, TelAlaska must have, as a starting point, a license to provide cellular service throughout both its ITC and MTC study areas. In other words, it cannot seek ETC designation on a piecemeal basis; it must have a wireless solution for each exchange in each study area.

This places TelAlaska on the horns of an unattractive dilemma. If it pursues its cellular licensing on a piecemeal basis, it will risk not qualifying for ETC status and USF funding. If it receives its licenses for its entire study areas at once (except for those isolated exchanges in which it might pursue a resale solution or use of unlicensed spectrum), as it has chosen to do, it risks forfeiting those portions of the licenses for which it cannot meet the regulatory 12-month construction period. As a result, TelAlaska requires either an extension or a waiver from the Commission of its standard 12-month construction requirement in order to demonstrate its capability as a cellular licensee.

#### **IV. GOOD CAUSE EXISTS FOR THE COMMISSION TO GRANT TELALASKA AN EXTENSION OR WAIVER OF ITS BUILD-OUT OBLIGATION**

Taking into consideration the abbreviated construction season and the limitations it faces on annual capital expenditures, TelAlaska has devised a proposed deployment schedule for the 20 locations encompassed within its two cellular licenses under which approximately one-quarter of the locations would be built-out in each of the next four years, beginning in 2009 and ending in 2012. A copy of this proposed alternative schedule is attached as Attachment 2 to this Exhibit. This schedule is offered as a "worst case" scenario by the Licensee; TelAlaska views it in its interest and that of its subscribers to bring its wireless solution to market by the earliest possible date, and it intends to accelerate this schedule as much as it is physically able to do so.

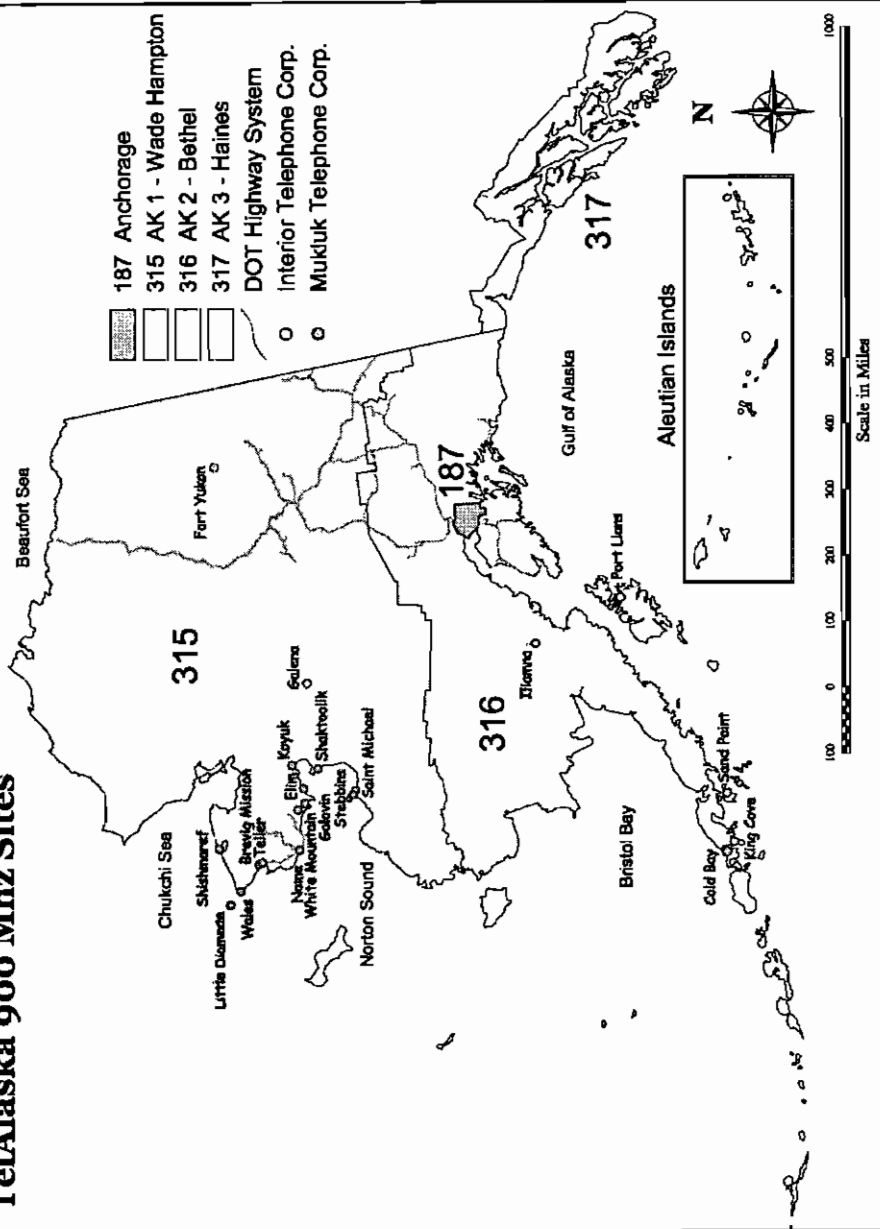
TelAlaska submits that the Commission's grant of this request for an extension of the Licensee's construction deadline of 42 months is in the public interest. By relaxing the construction requirements in this manner, the Commission will support TelAlaska in securing ETC designation as a competitive wireless service provider in its two study areas, thereby promoting the delivery of competitive wireless services in previously underserved rural areas for the benefit of TelAlaska's subscribers.

As has been demonstrated above, TelAlaska's failure to comply with the Commission's standard 12-month construction deadline is attributable to causes beyond the Licensee's control, as provided for in Section 1.946(e) of the Commission's Rules. TelAlaska, however, remains committed to fulfilling the construction requirement as quickly as possible and, in any case, no later than over the four-year period outlined in its attached proposed alternative build-out schedule. Alternatively, TelAlaska has demonstrated, as contemplated by Section 1.925(a)(3)(ii) of the Rules, that, the extreme conditions governing the deployment of wireless facilities in the remote locations of Alaska that the Licensee seeks to serve, and the unusual corporate and financial circumstances that have impacted the Licensee since the award of its cellular licenses, render it inequitable and unduly burdensome to require TelAlaska to comply with the 12-month construction requirement for its 20 locations. As such, waiver of

the 12-month construction requirement is also justified.

TelAlaska calls the Commission's attention to the Wireless Bureau's decision last year in a similar request for waiver and extension of time to construct 10 cellular locations filed by OTZ Telecommunications, Inc. ("OTZ"). Like TelAlaska, OTZ is a rural local exchange carrier serving a remote portion of the Alaska interior that is deploying wireless service to its subscribers. In its order issued on August 30, 2007 (DA 07-3807), the Bureau accepted OTZ's arguments that the abbreviated construction season in Alaska renders a small company's ability to meet the one-year construction deadline logistically impossible. The Bureau also recognized the importance to OTZ of retaining its cellular license to serve all exchanges in its study area in order to qualify for much needed USF high-cost funding support, and determined that the public interest would be served by granting OTZ's request to extend the construction deadline for its 10 locations over a four-year period. TelAlaska submits that the public interest would similarly be served by granting a comparable three-and-a-half year extension, ending October 31, 2012, for the build-out of TelAlaska's 20 cellular service locations. As indicated above, while TelAlaska requests an overall extension of its construction deadline for its two licenses of October 31, 2012, it is prepared to comply with the more specific, staged construction schedule for the 20 locations affected by this request outlined in Attachment 2 hereto.

# TelAlaska 900 Mhz Sites



**Attachment 2**  
**Proposed Schedule for Build-out of Locations**  
**Cellular Licenses WQIQ306 and WQIQ308**

***2009***

Teller, Brevig, Sand Point, Iliamna, Anchorage network common control facilities

***2010***

Galena, Fort Yukon, King Cove, Cold Bay, Nome, Wales, Shishmaref

***2011***

White Mountain, Koyuk, Elim, Saint Michaels, Stebbins, Shaktoolik

***2012***

Port Lions, Golovin, Little Diomed